The Public Trustee

Annual Report
2002-2003

Manitoba

ATTORNEY GENERAL
MINISTER OF JUSTICE

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter Liba
Lieutenant-Governor of Manitoba

MAY IT PLEASE YOUR HONOUR:

It is my privilege to present for the information of Your Honour the Annual Report of The Public Trustee for the fiscal year ending March 31, 2003.

Respectfully submitted,

Honourable Gord Mackintosh
Minister of Justice
Attorney General

Manitoba

Deputy Minister of Justice
and Deputy Attorney-General

Room 110
Legislative Building
Winnipeg MB R3C 0V8

The Honourable Gord Mackintosh
Minister of Justice
and Attorney General
104 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2003.

The results of the 2002/2003 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of the Public Trustee and encouraged by the ongoing commitment of its employees.

All of which is respectfully submitted,

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Manitoba

The Public Trustee

13th Floor
Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2003.

Yours truly,

M. ANNE BOLTON, Q.C.
Public Trustee

103-07197/

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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee provides services for a fee to the people of Manitoba in accordance with its statutory mandate. The office of The Public Trustee operates with a high level of accounting, legal and professional expertise necessary for the management of approximately 5,442 files. Assets under administration are currently valued at approximately $168 million.

THE MISSION OF THE PUBLIC TRUSTEE IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- our service is client focused;
- our service is cost effective;
- services which must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of the operation of the office.

STATUTORY MANDATE

The Public Trustee is statutorily mandated to provide the following services to Manitobans:

(a) Committee for mentally incompetent persons under the provisions of *The Mental Health Act*;

(b) Substitute Decision-Maker for adults living with a mental disability under the provisions of *The Vulnerable Persons Living With a Mental Disability Act*;

(c) Give or refuse consent to psychiatric treatment for mentally incompetent patients in psychiatric facilities;

(d) Official Administrator for the province;

(e) Official Guardian for the province;

(f) Acts as litigation guardian for infants and mentally incompetent persons who have no one else competent to represent their interests;

(g) Administers trust funds for infants;

(h) Reviews all infant settlements;

(i) Reviews all applications for private committeeship.

OTHER SERVICES

The Public Trustee has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of $250,000.00 or less, and who require assistance administering their financial affairs.

THE PUBLIC TRUSTEE ADVISORY BOARD

The Public Trustee provides plans and reports to the Advisory Board established by the Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Deputy Minister. The Board meets quarterly to provide advice to the Public Trustee on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Bruce A. MacFarlane, Q.C. Deputy Minister Justice	
MEMBERS	Mary Humphrey Special Advisor to the Deputy Minister Justice	ex officio
	M. Anne Bolton, Q.C. Public Trustee	ex officio
	Doreen Kelly General Counsel The College of Physicians & Surgeons of Manitoba	Private Sector Representatives
	John Elcomb Regional Senior Manager CIBC Trust	
	Carol Renner Project Manager Department of Health	Client Representatives
	Gisela Rempel Assistant Deputy Minister Services for Persons with Disabilities Employment and Income Assistance Department of Family Services & Housing	
	Brian Stephenson Inspector Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The Public Trustee has a corporate seal and perpetual succession and functions separately from government, capable of suing or being sued on behalf of its clients, trusts, and estates which are administered by it. *The Public Trustee Act* provides that the Auditor General audits the books and accounts of The Public Trustee. As well, the act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Fees for services have been generated by the office since its inception and cover its salary and operating expenditures.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The Public Trustee commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The Public Trustee had been operating on a full cost recovery (revenue) basis. The advantages of SOA status, including the flexibility to hire staff as required to provide service levels appropriate to the fees charged, carry forward surpluses to subsequent years, the ability to plan on a long-term basis, acquire computer equipment and improve services to the public, have assisted in the operation of The Public Trustee as an SOA. The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted the Public Trustee in increasing the quality of services to its clients.

The Public Trustee remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational and financial performance. The Public Trustee operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to the Public Trustee's assets, provides financing for operations and is responsible for the Public Trustee's liabilities. Accountability is supported by the Public Trustee's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act.*

The Public Trustee's staff are assigned in 6 distinct sections:

Administration - This section is composed of the Public Trustee who administers the entire program, 1 internal auditor, 1 term systems analyst and .5 support staff.

Client Administration - This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of the manager, 1.5 term and 11.5 permanent officers, and 11 permanent and 1.1 term support staff. The Brandon office is composed of 1 permanent officer, 1 permanent and .25 term support staff.

Estates and Trusts Administration - This section administers deceased estates, and adult and infant trusts. This section is composed of the manager, 5 permanent officers, 3 permanent support staff and 1 permanent trust administration clerk.

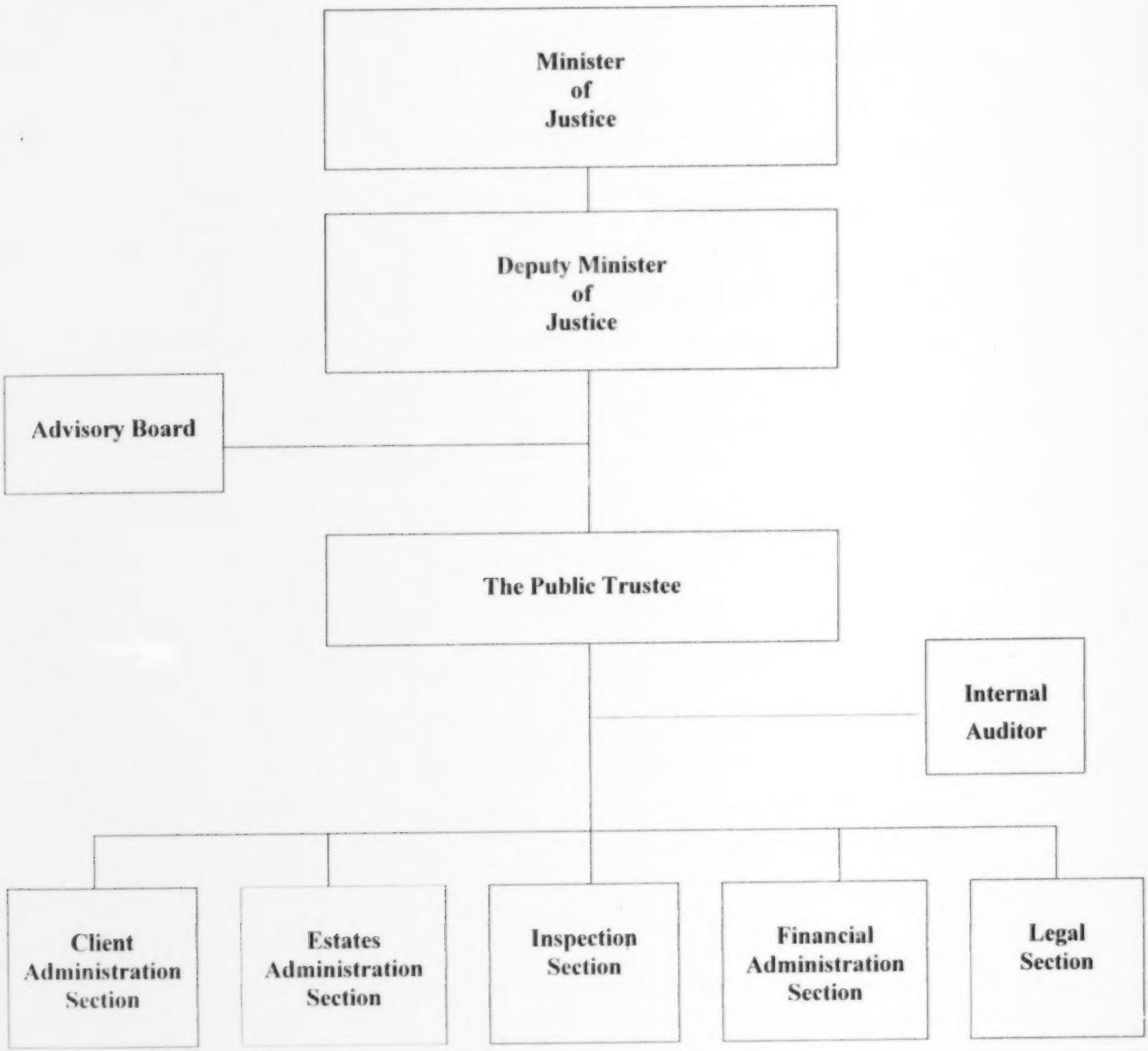
Financial Administration - This section manages the accounting for all clients, estates and trusts and manages the Common Fund. It also manages the revenues and operating budget of the office. This section is composed of the manager, 1 senior accountant, 1 accountant, 1 investment officer, 2 systems staff, 14 permanent accounting staff and 1.5 term accounting staff.

Legal - This section provides the necessary legal representation for the estates, trusts and clients, ensures the protection of rights and assets, provides assistance to the Court as requested and provides advice to the Public Trustee. This section is composed of 1 senior counsel, 3 legal counsel, 1 articling student and 2 support staff.

Inspection - This section provides services for estates and trusts, and client administration by investigating matters as required in estates, trusts and client files and recording and securing properties owned by clients and estates. The section is composed of the Manager, 3 inspectors, and 1 clerk.

Each of the managers is part of the management team and all report to the Public Trustee. As well, the internal auditor reports to the Public Trustee.

The Public Trustee Organization



PERFORMANCE REVIEW

The long-term goals which are identified in the Business Plan are:

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - administering the estates of people who are not mentally capable of doing so and making personal decisions on their behalf;
    - administering the estates of people who have granted a Power of Attorney to the Public Trustee;
    - administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
    - supporting all of these functions with legal, financial and accounting expertise;
    - fulfilling additional roles pursuant to legislation or as ordered by the Court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office.

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in the functional areas of the office.

4. To improve communication with all individuals and agencies who have contact with the office.

5. To recover the full cost of operations from fees.

BUSINESS PLAN GOALS 2002-03:

The Public Trustee accomplished all goals set out in its Business Plan for 2002-03 as follows:

1. **To continue regular education seminars throughout the province to provide information about the Office of The Public Trustee and relevant legislation.**

   Four (4) quarterly seminars were held this year in Winnipeg, Brandon, Swan River and The Pas. For the Winnipeg and Brandon seminars, we developed new material on the subject of financial abuse which is of special interest to certain agencies and stakeholders.

   The other two (2) seminars held in Swan River and The Pas were designed to give the audience a more standard package of information with respect to the Office of The Public Trustee.

   During the year, The Public Trustee re-designed its seminar effectiveness evaluation forms with the view of collating information received at the seminars. The next annual report will contain an overview of the effectiveness of these seminars.

2. **To restructure the chatteling policies and systems with a view to eliminating the need for rental of current warehouse storage space.**

   This goal was accomplished at the beginning of the fiscal year after a complete re-development of all inspection policies, procedures and systems including those particular to chattels.

   This goal represents a saving to The Public Trustee of $15,000.00 per year in rental of storage space. In addition, the new policies have created a more efficient chatteling system with chattels being used by the client, stored by family, or sold, rather than being stored for long periods of time.

3. **To target greater cost recovery for the Inspection Department by raising Inspection fees.**

   During this fiscal year, we made a complete submission to Treasury Board for permission to raise certain of The Public Trustee fees and ratification for the unilateral action of raising others.

   A chart is located on Page 17, showing all fee changes as a result of this Treasury Board submission. Inspection fees are included in the chart.

4. **Developing a fee structure to meet the cost of per diem appeals.**

In the above referenced Treasury Board submission, The Public Trustee submitted that a new fee was chargeable for meeting the cost of processing per diem appeals. For all new clients in Personal Care Homes, we review the per diem charged. If we find the per diem inappropriate we launch an appeal. This system of appeals saves some clients a significant amount of money. For example; from August 1st, 2001 to July 31st, 2002, a total of $253,237.00 was saved for clients.

The new fee charged is $300.00 per appeal, generating revenue for The Public Trustee in the amount of approximately $15,000.00.

5. **To ensure full billing for heirship searches.**

During this fiscal year, The Public Trustee began to monitor the amount of time spent on heirship billing in more detail.

The Estates Department redeveloped their heirship billing policies and procedures and sought to increase the Estates Officer's awareness of the importance of this function. The system provided some improvement for heirship billing as seen by the following figures:

Fiscal Year ending March 2003 - 521.6 hours
Fiscal Year ending March 2002 - 490.1 hours
Fiscal Year ending March 2001 - 274.6 hours
Fiscal Year ending March 2000 - 262.7 hours

6. **To target greater cost recovery for legal fees on deceased estates by raising hourly rates for senior counsel's time.**

The Public Trustee charges fees for legal services to clients where the services are necessary and the client can afford to pay. If a client cannot afford to pay for legal service, the fee is waived.

Legal fees were raised according to the chart on page 17.

Public Trustee Fees - Pre 2003

Deceased Estates

Minimum Estate
Administration Fee.....$750.00

Inspection

Inspection services

(basic).....$40.00/hour

(assets hauled) $60.00/hour

Travel time.....$40.00/hour

Legal

Articling Student.....$50.00/hour

Counsel
1-5 years experience.....$100.00/hour

Counsel
6-10 years experience.....$140.00/hour

Counsel over
10 years experience.....$140.00/hour

Public Trustee Fees - 2003

Client Administration

Per Diem Appeal $300.00
File Closing Fee (DeceasedEstates)..$200.00

Deceased Estates

Minimum Estate
Administration Fee.....$1,500.00

Inspection

Inspection services

(basic).....$60.00/hour

(assets hauled).....$70.00/hour

Travel time.....$40.00/hour

Legal

Articling Student.....$60.00/hour

Counsel
1-5 years experience.....$125.00/hour

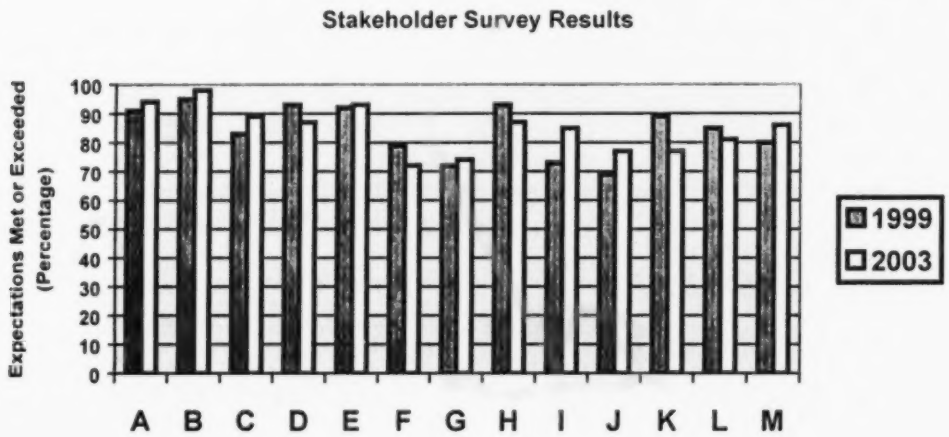
Counsel
6-10 years experience..... $175.00/hour

Counsel over
10 years experience.....$225.00/hour

Senior Legal Counsel has discretion to waive fees where clients have insufficient resources to pay or add a special counsel fee for particularly complex matters.

STAKEHOLDER SURVEY

In March 2003, a Stakeholder Survey was conducted on behalf of The Public Trustee by Organization and Staff Development. This is an important performance measurement tool. This was the second such survey, with the first having been conducted in 1999. The response rate was 49% (49 responses out of 100 surveys sent), compared to 76% in 1999. Even though the response rate was lower than the response rate in 1999, the surveyors considered it be an adequate sampling. The respondents rated their experience with the Office of The Public Trustee at 8.6 on a scale of 10. This compares to a rating of 8 out of 10 in 1999.



LEGEND:

Communications

A - How phone calls are returned.
B - How written correspondence is handled.

Decision Making

C - The reasons given for decisions that are made.
D - How and when decisions are referred to someone else within the Office of the Public Trustee.
E - The timeliness of decisions.
F - How decisions are made on discretionary spending, that is, spending other than that which is required to meet basic needs.
G - The explanation given when there is a difference of opinion about a discretionary spending decision.

Interaction

H - The frequency of interaction with the Office of the Public Trustee.
I - Being clear about the responsibilities of and the role played by the Office of the Public Trustee.
J - The time and demands placed on you by the processes and procedures used by the Office of the Public Trustee.

Client Concern

K - How the interests of the client are taken into account.

L - The consideration given to a range of alternatives when discussing client needs.

Overall Result:

M - Rating of experience with the Office of the Public Trustee

The 2003 survey indicated improved results in seven of the twelve question categories. In addition, stakeholders were asked to rate their experience with the Office of the Public Trustee on a scale of 1 (poor) to 10 (excellent). The results are shown above as M – the 1999 rating was 8.0, and the 2003 rating was 8.6, suggesting that what the Office does is done well from a stakeholder perspective and that improvement has been achieved over the past four years.

DEPARTMENTAL ACCOMPLISHMENTS 2002-03:

Client Administration Accomplishments 2002-03

1. Vulnerable Persons Unit

During the year, one (1) of the Mental Health Unit Client Administration Officers was assigned to take on approximately thirty (30) Vulnerable Persons Act clients. This has helped to make the file distribution somewhat more equitable in The Vulnerable Persons Unit, while providing a better level of service to clients by increasing the amount of time each officer has available for each file.

2. Powers of Attorney

The Public Trustee held 74 Powers of Attorney as at March 31st, 2003. This is a decrease of 5 from the previous year.

3. File Reviews

The Manager, Client Administration and the Internal Auditor continue to conduct file reviews to ensure that assets and income are properly administered and an appropriate level of service is provided to clients. During the year, 188 files were reviewed. This meets the goal of reviewing 50% of all files after they have been open for six (6) months.

4. Performance Appraisals

Eight (8) Performance Appraisals were conducted with Client Administration Officers and Support Staff. The majority of the remaining Client Administration Staff will have performance appraisals scheduled in the 2003/2004 fiscal year.

5. Deceased Clients

New Policies and Procedures for administration of estates of deceased clients were finalized and implemented during the year. 1.4 staff are assigned to manage these estates after the death of the client. They are responsible to either pay out the estate to creditors, heirs or to a personal representative. The new policies and procedures have significantly simplified management of these estates, and have facilitated transfer of assets from The Public Trustee to the appropriate recipients in a timely fashion. The result is a large reduction in the number of Deceased Client files open at any given time. For example, as of March 31st, 2002, there were 413 open Deceased Client Estate files. As of March 31st, 2003, there were only 169 open Deceased Client Estate files open.

6. Quarterly Seminars

The provision of information to the public regarding the role and function of The Public Trustee continued as a business plan goal. To that end, four large seminars were held during the year. One large seminar, consisting of both a morning and afternoon session, was held in Winnipeg, with 339 registrants. A similar session was held in Brandon, with 116 registrants. Smaller sessions were held in Swan River and the Pas, with registration of 41 and 37 respectively. The Public Trustee will continue to hold four large seminars per year in various regions of the province, on various relevant topics.

7. Speaking Engagements

Smaller oral presentations continue to be made at the request of agencies, service groups and various government departments. Presentations were provided to the following groups and organizations:

Health Sciences Centre Social Workers
Huntington Society
Winnipeg Regional Health Authority Home Care Workers
Central Park Lodge Parkview Place Nursing Directors, Administration and Social Workers
Winnipeg Regional Health Authority Community Mental Health Workers
Central Park Lodges Directors of Nursing
University of Manitoba Social Work Students
North Eastman Regional Health Authority Community Mental Health Workers and Home Care Co-ordinators
Family Services and Housing Central Region Community Services Workers
Family Services Parkland Region Community Services Workers
Family Services Interlake Region Community Services Workers
Family Services Vulnerable Persons Commission Hearing Panel Members
Selkirk Mental Health Centre Telehealth Series
Law Society of Manitoba Bar Admission Course
Occupational Rehabilitation Group of Canada
Tache Centre Staff
Estate Planning Council of Winnipeg

8. Public Education Effectiveness Assessment

During the year, an evaluation questionnaire was developed to be distributed at the four large annual presentations. Participants in the seminars are asked to evaluate the presentation. The data from the questionnaires is analyzed to provide an objective assessment of the effectiveness of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of education seminars. In addition, attendees are given the opportunity to register to be notified of future sessions of interest.

Estates & Trusts Accomplishments 2002-03

1. File Reviews

The Manager, Estates & Trusts met with each officer on a monthly basis to review 25% of the officer's files to ensure service standards were met and proper procedures were followed.

2. Technology Improvements

During the year, the balance of officers received PCs and internet access. This has resulted in increased efficiencies and additional sources of information to locate heirs.

3. Heirship Procedures Streamlined

Changes to heirship requirements for estates under $10,000.00 in value has streamlined the process and should reduce the amount of time spent on the files.

4. Heirship Billing System

The development and implementation of a new PC based heirship time system during the year has resulted in officers maintaining more complete records of time spent to establish heirship on estate accounts.

Financial Administration Accomplishments 2002-03

1. New EFT Functionality

A new mainframe based Electronic Funds Transfer (EFT) system was developed and implemented during the year. This system was developed to allow the deposit of funds direct to a client's account at the client's personal bank. This complex system retains all disbursement controls that exist for normal disbursements. This additional functionality improves service delivery to clients who rely on the regular provision of funds for personal spending. At the same time as the EFT system was implemented, the routines for cheque requisitions and recurring cheque requisitions were enhanced and standardized. This resulted in operational efficiencies.

2. Heirship Time Keeping System

A new PC based Heirship Time Keeping System was developed and implemented. This system improves our ability to track the amount of time spent by staff on the search for heirs for deceased estates and provides the basis for billing estates for this time. This will improve controls associated with the heirship search process, allow for easier billing of heirship time and will provide useful statistics that will help analyze costs.

3. Main Frame Enhancements

The main frame system was enhanced in several ways to improve control, efficiency and functionality. New weekly control and information reports were developed for changes to Authority Dates, EIA changes, Safekeeping Chattels and Death Notices. New data fields were added which increased the functionality of the data maintained for each client such as Care Plan Due Dates, Chattel Locations, etc. Account Lists screen was updated to provide additional data and additional functionality.

4. Infant Trust Payout System

A new PC based Infant Trust Payout System was developed and implemented. This system allows staff to readily track the timing of infant trust payouts relative to the dates that the infants reach the age of majority. This system was designed to measure the efficiency of this process and provide data on the reasons for non-standard delays. This data will form part of the Agency's performance measurement.

5. Information Session Evaluation System

A new PC based Information Session Evaluation System was developed and implemented. This system allows staff to input the data from questionnaires that are completed by individuals who have attended a Public Trustee information session. This system was designed to assist staff to measure the effectiveness of the information sessions. These sessions are presented in order to inform interested parties about the role and function of the Public Trustee. This data will form part of the Agency's performance measurement.

6. General PC Systems Enhancements

The Legal Time System was enhanced to track deferred legal fees and to provide additional functionality. Word templates were developed to allow staff to use a PC to complete Federal and Provincial forms. Two of the Public Trustee's application servers were updated and all application servers were moved to the Public Trustee premises to allow for better access and control.

Inspection Section Accomplishments 2002-03

1. Revision of the Inspection Sections Policies and Procedures

During the past year, the Inspection Section's policies and procedures were overhauled and updated. This project was completed with the assistance of the Systems Analyst under the direction of the Manager, Inspection Services.

HUMAN RESOURCES ACCOMPLISHMENTS

1. **Staff Training**

Selected staff participated in varied training throughout the year including:

Blanket Insurance Review with Irwin Kumka of Ryan Gateway Insurance	28 employees
CPR Training	1 employee
Intro Workplace Safety & Health	2 employees
Non-Violent Crisis Intervention	2 employees
Hearing Voices Seminar	5 employees
Family Mediation Manitoba "Mental Health and Mediation Issues & Strategies"	2 employees
Leadership Advanced	1 employee
Communicating with Aboriginal People	1 employee
Five Steps to Managing Workplace & Personal Stress	1 employee
Writing & Editing Skills Level 1	1 employee
Designing a Mentoring Program	1 employee

PUBLICATIONS

This fiscal year, our Systems Analyst developed a new pamphlet for instructing heirs, families and the public regarding deceased estates administered by the office. The pamphlet is user friendly, written in plain English and uses a question and answer format.

The Public Trustee has a number of publications available to individuals who come in contact with the office. Many of these are available in bilingual format, or available in English only or French only. They are:

1. The Committeeship Guidebook (Bilingual)

   - This booklet provides guidance to private committees on their duties and responsibilities. It also provides examples of the accounting required and opening and closing inventories.

2. The Public Trustee Fee Brochure (Bilingual)

   - This brochure details the fees charged for the services provided by the office.

3. The Powers of Attorney Project Pamphlet (Bilingual)

   - This pamphlet outlines the powers of attorney project of the Public Trustee's office and from whom the Public Trustee will accept powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

4. Operation of Client Administration Section (Bilingual)

   - This pamphlet provides details on how the officers will manage the personal and financial affairs of clients.

5. Powers of Attorney Guidebook (Bilingual)

   - This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors Directorate, Elder Abuse Resource Centre, Age and Opportunity. The guidebook is also available through the Public Trustee's Office.

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2003

Trust and Estates Section

	2002	Files Opened in Year	Files Closed in Year	2003 End of Year
Assets under Administration * ($000's)	$ 54,037			$ 60,868
Number of Files				
Deceased Estates	462	132	148	446
Infant Trusts	1,118	158	140	1,136

Client Administration Section

	2002	Files Opened in Year	Files Closed in Year	2003 End of Year
Assets under Administration * ($000's)	$ 108,804			$ 107,428
Number of Clients	3,457	490	577	3,370

Legal Section

	2002	Files Opened in Year	Files Closed in Year	2003 End of Year
Number of Files at beginning of year	524	544	578	490

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2003

Financial Administration Section

Magnitude ($000's)	2002	2003
Total Assets under Administration *	$ 162,841	$ 168,296
Receipts for year	$ 100,175	$ 98,521
Disbursements for year	$ 100,096	$ 98,045
Total Accounts/Files	5,561	5,442
Total Financial Transactions	313,026	313,602

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SUMMARY OF FINANCIAL RESULTS
($000's)

	Actual 2001/02	Actual 2002/03	Budget 2002/03	% Variance
Total Income	4,665	4,679	4,817	<2.9>%
Salaries & Benefits	3,564	3,665	3,773	<2.9>%
Employee Pension Costs	191	195	208	<6.2>%
Occupancy Costs	218	232	249	<6.8>%
Operating Costs	692	760	747	1.7%
Amortization: Furniture & Equipment/loss on disposal of capital assets	42	32	30	6.7%
Total Expenses	4,707	4,884	5,007	<2.5>%
NET INCOME (Loss)	<42>	<205>	<190>	7.9%

Variances: Total income was less than forecast due to a lower than forecast volume of transactions. This resulted in lower than expected receipts and disbursements fees.

Salary costs were less than forecast as these costs were controlled in response to reduced income.

Other costs were within normal variance.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2003

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 18, 2003. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2003 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 18, 2003

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2003

ASSETS

	2003	2002
Current		
Cash	$ 106	$ 86
Accounts receivable, net (Note 3)	719	683
Prepaid expenses	5	4
Short-term investments with Minister of Finance	675	875
	1,505	1,648
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	103	101
	$ 2,123	$ 2,264

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	$ 521	$ 477
Severance pay benefits (Note 16)	434	414
	955	891

EQUITY

Revenue stabilization reserve (Note 14)	500	500
Retained earnings	668	873
	1,168	1,373
	$ 2,123	$ 2,264

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
Revenue		
Fees (Note 8)	$ 4,562	$ 4,510
Interest	19	37
Other	98	118
	4,679	4,665
Expenses		
Amortization of capital assets	32	42
Accommodation costs - Department of Government Services	232	218
Other administration expenses (Note 9)	760	692
Salaries and benefits	3,665	3,564
Employer pension costs	195	191
	4,884	4,707
Net Income (Loss)	(205)	(42)
Retained earnings, beginning of year	873	915
Retained earnings, end of year	$ 668	$ 873

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ (205)	$ (42)
Items not involving cash		
Amortization of capital assets	32	42
	(173)	0
Change in		
Receivables	(36)	(23)
Prepaid expenses	(1)	0
Payables	44	(754)
	(166)	(777)
Investing		
Acquisition of capital assets	(34)	(31)
Financing		
Severance pay benefits	20	45
Net increase (decrease) in cash	(180)	(763)
Cash and short term investments		
Beginning of year	961	1,724
End of year	$ 781	$ 961

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	-	20%, diminishing balance basis
Computer hardware and software	-	20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line basis

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

The accounts receivable at March 31 are as follows:	2003	2002
Fees receivable	$ 739	$ 698
Allowance for doubtful accounts	(32)	(28)
	707	670
Interest receivable	1	2
Advances to client accounts	5	5
Cost recoveries	6	6
	$ 719	$ 683

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2003	Net Book Value 2002
Furnishings & equipment	$ 176	$ 82	$ 94	$ 85
Computer hardware & software	70	64	6	12
Leasehold improvements	45	42	3	4
	$ 291	$ 188	$ 103	$ 101

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2003	2002
Operating expenses payable	$ 44	$ 68
Salaries & benefits payable	113	75
Vacation entitlements accrual	327	307
GST payable to Revenue Canada	37	27
	$ 521	$ 477

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2003.

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2003	2002
Administration	$ 3,898	$ 3,809
Legal	256	350
Income tax	247	278
Inspection	161	73
	$ 4,562	$ 4,510

9. Other Administration expenses

The other administration expenses of the Agency are as follows:

	2003	2002
Computer expenses	$ 398	$ 354
Courier charges	5	4
Desktop costs	2	3
Insurance, loss, damage	29	16
Office supplies	45	42
Other	4	5
Personnel	18	31
Photocopy	16	16
Postage	45	34
Professional fees	29	25
Publications	4	8
Public communications	4	3
Records Centre Charges	9	0
Rentals, equipment	2	3
Repairs & maintenance	10	10
SAP costs	7	7
Support services - Department of Justice	22	22
Telephone	62	61
Travel	49	48
	$ 760	$ 692

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $164 annually to 2003/2004.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

12. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $ 49 (2002 - $122). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2003 total approximately $168,000 (2002 - $163,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2003, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 101
Darrach, Bruce	Information Technologist 3	63
Drever, Bruce	Legal Counsel 3	98
Fergusson, John	Legal Counsel 2	92
Jachetta, Peter	Legal Counsel 3	93
Knowlton, Joanna	Legal Counsel 3	98
Kozusko, Norman	Information Technologist 4	69
Sallans, David	Management Analyst 3	66
Shaprio, Laurie	Estates Officer 4	52
Willis, Lorne (Retired)	Estates Officer 3	70

16. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance was completed as at March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2003 has been calculated to be $ 434 (2002 - $ 414).

The Public Trustee of Manitoba
Estates and Trusts
under Administration

Financial Statements
March 31, 2003

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 18, 2003. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To The Public Trustee of Manitoba

We have audited the balance sheet of The Public Trustee of Manitoba, Estates and Trusts under Administration, as at March 31, 2003 and the statement of cash receipts and disbursements for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the estates and trusts under the administration of the Public Trustee as at March 31, 2003 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies described in note 2 to these financial statements.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 18, 2003

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2003

ASSETS	2003	2002
Cash on hand and in bank	$ 862,578	$ 386,071
Investments - Common Fund (Notes 2(a) and 3)	122,914,157	120,448,974
- Specific Estates and Trusts (Notes 2(b) and 4)	34,204,740	32,552,185
Accrued interest receivable on common fund investments (Note 2(a))	2,295,832	2,479,748
Other assets at nominal value (Note 2(c))	1	1
	$ 160,277,308	$ 155,866,979
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee - Fees payable (Note 1)	23,860	14,589
- Expenditures payable (Note 5)	9,783	7,090
	33,644	21,680
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	100,372,693	102,454,093
The Public Trustee Act	59,870,971	53,391,206
	$ 160,277,308	$ 155,866,979

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2003

RECEIPTS	2003	2002
Funds held by estates and trusts brought under administration	$ 12,622,220	$ 14,149,600
Realization of equities in other estates	1,342,612	1,360,438
Pensions, compensation and assistance	25,943,019	25,574,547
Sickness, disability and other insurance benefits	6,286,565	6,031,554
Investment income	8,426,255	9,232,441
Sale of estate property	3,015,359	2,223,597
Collections on accounts receivable	1,464,255	1,305,557
Total receipts, before sale or redemption of securities	59,100,285	59,877,734
Sale and redemption of securities - Common Fund	31,600,000	32,700,000
Sale and redemption of securities - Specific Estates and Trusts	7,821,121	7,597,783
Total Receipts	98,521,406	100,175,517
DISBURSEMENTS		
Room, board and other maintenance expense	25,202,985	24,423,641
Preservation of estates	3,624,414	3,923,854
Other estate expense	1,968,829	1,726,886
Administration and passing of accounts (Note 1)	4,412,499	4,375,445
Estates and trusts released from administration	21,255,664	24,700,755
Total disbursements, before purchase of securities	56,464,391	59,150,581
Purchase of securities - Common Fund	35,022,960	36,489,108
Purchase of securities - Specific Estates and Trusts	6,557,548	4,456,626
Total Disbursements	98,044,899	100,096,315
Cash receipts over disbursements	476,507	79,202
Cash position at start of year	386,071	306,869
Cash position at end of year	$ 862,578	$ 386,071

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2003

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of The Public Trustee Act, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2003 Par Value	2003 Book Value	2002 Book Value
1. Term deposits & investment certificates	$ 32,100,000	$ 32,100,000	$ 32,100,000
2. Government of Canada bonds	58,000,000	60,208,522	59,210,724
3. Province of Manitoba bonds	4,500,000	4,501,884	4,499,490
4. Province of Quebec bonds	3,000,000	2,953,022	2,945,411
5. Province of Ontario bonds	5,600,000	5,828,223	4,322,994
6. Ontario Hydro-Electric bonds	5,500,000	5,498,936	5,492,674
7. Province of New Brunswick bonds	4,400,000	4,275,193	4,253,374
8. Province of Saskatchewan bonds	6,000,000	6,244,700	6,304,046
9. Manitoba Hydro & Manitoba Builder savings bonds	260,000	256,016	252,719
10. Province of British Columbia bonds	1,000,000	1,047,661	1,067,542
	$ 120,360,000	$122,914,157	120,448,974

4. Investments - Specific Estates and Trusts

	2003	2002
Term deposits, investment certificates and treasury bills	$ 20,890,570	$ 18,934,274
Government of Canada and other bonds	8,835,004	9,161,340
Shares of capital stock and mutual funds	4,479,166	4,456,571
	$ 34,204,740	$ 32,552,185

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.